

Nos. 15516-15519

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# United States Court of Appeals

*For the Ninth Circuit*

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LEITH C. MORTON,

Appellant,

vs.

NORTHERN PACIFIC RAILWAY COMPANY, a corporation,  
Appellee.

ROBERT E. KUNTZ,

Appellant,

vs.

NORTHERN PACIFIC RAILWAY COMPANY, a corporation,  
Appellee.

GENE A. PICOTTE,

Appellant,

vs.

NORTHERN PACIFIC RAILWAY COMPANY, a corporation,  
Appellee.

JOHN W. MAHAN,

Appellant,

vs.

NORTHERN PACIFIC RAILWAY COMPANY, a corporation,  
Appellee.

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## Brief of Appellant

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## PRELIMINARY MATTERS

Pursuant to stipulation of counsel in the respective cases and to an order of this Court (R. 22, 38) this brief is submitted for consideration in four actions appealed to this Court, being causes Nos. 15,516-15, 519; Keith C. Morton, appellant, vs. Northern Pacific Railway Company, a corporation, appellee; Robert E. Kuntz, appellant vs. Northern Pacific Railway Company, a corporation, appellee; Gene A. Eotte, appellant, vs. Northern Pacific Railway Company, a corporation, appellee, and John W. Mahan, appellant, vs. Northern Pacific Railway Company, a corporation, appellee.

All references will be to the first of these causes, the record of which was printed for consideration in connection with all four causes and the arguments herein presented shall be equally applicable to all four cases, they being identical except as to parties appellant and as to the land involved, each action involving a different quarter section of Section 35, Township 22 North, Range 48 East, M.P.M., McCone County, Montana, and each action having been bought by a different party, each of whom, however, are residents and citizens of the State of Montana, against the same party defendant.

**1. Jurisdiction of the Lower Court and of This Court**

Four actions were originally brought in the District Court of the First Judicial District of the State of Montana, and for the County of Lewis and Clark and in each of said actions an alternative writ of mandamus was secured

(R. 18) requiring the respondent to convey to the relator or applicant the quarter section of land described upon payment by the relator to the respondent company of the sum of \$2.50 per acre or to show cause why it had not done so at a day and date certain.

Appellee Northern Pacific Railway Company removed each of said actions to the District Court of the United States, in and for the District of Montana, alleging that the relator claimed to be entitled to the relief prayed for under proper interpretation of the terms and provisions of the Act of Congress of the United States of 1864, 13 Stat. at Large, p. 365, and under the terms and provisions of a joint resolution of Congress of the United States of May 31, 1870, 16 Stat. at Large, p. 378, and under the terms and provisions of the land laws and homestead laws of the United States of America, 43 U.S.C.A. Chap. 7, alleging that in consequence the matter in controversy arises under the laws of the United States, alleging further that relator is a citizen and resident of the State of Montana and that the respondent is a corporation organized and existing under and by virtue of the laws of the State of Wisconsin and that the action presents a controversy between citizens of different states and alleging that the real property involved exceeds the sum or value of \$3,000.00, exclusive of interest and costs. Under the provisions of Sections 1331, 1332 and 1441, Title 28 U.S.C.A., the Railway Company requested the District Court of the United States in and for the District of Montana to accept jurisdiction over the controversy (R. 4-6). The petition for removal was not resisted by



Appellant and appellant concedes that the cause is a proper one for removal under the provisions of the United States Code enacted by the respondent and appellee.

Appellee Northern Pacific Railway Company filed a motion to quash the affidavit and application for writ of mandamus, the order granting alternative writ of mandamus and the alternative writ of mandamus (R. 20) which motion was granted (R. 30-31) and judgment entered dismissing the cause (R. 31-32).

This Court's jurisdiction to hear and determine the appeal is based upon Section 1291, 28 U.S.C.A., providing that the courts of appeal shall have jurisdiction of appeals from all final decisions of the District Courts of the United States.

Notice of appeal was filed within time (R. 32). The requisite bond on appeal has been filed (R.33) and the appeal has since been prosecuted with diligence.

## 2. Statement of the Case

The action was commenced by the filing in the state court of an affidavit and application for writ of mandamus in which affidavit and application it is stated that the Northern Pacific Railway Company is and was for sometime prior to the filing of the application the owner of the land involved in the action, that the land was granted to the predecessor of the respondent company, the Northern Pacific Railroad Company, a corporation created by and pursuant to an Act of Congress of the United States of 1864, 13 Statutes at

Large, p. 365, by a joint resolution of the Congress of the United States of America of May 31, 1870, 16 U. S. Statutes at Large, page 378, which joint resolution provided in part as follows:

"Provided, that all lands hereby granted to said company which shall not be sold or disposed of shall remain subject to the mortgage by this act authorized, at the expiration of five years after the completion of the entire road, shall be subject to settlement and pre-emption like other lands, at a price to be paid to said company not exceeding two dollars and fifty cents per acre \* \* \*."

That the respondent acquired the lands subject to all the duties, obligations and limitations contained in said joint resolution and that the said lands had never been sold or disposed of by the respondent or by its predecessor the Northern Pacific Railroad Company and are not now subject to the mortgage authorized by the said joint resolution; that the road mentioned and referred to in the proviso of the joint resolution is the line of railroad originally commenced by the predecessor of the respondent and now owned and operated by the respondent; that the said line of railroad was fully completed many years ago.

The affidavit and application alleges the citizenship of a majority of the applicant and relator, his right to the benefits afforded veterans of World War II under the land laws of the United States and the presentation on his behalf by the Northern Pacific Railway Company at its general office of an application to purchase the lands in controversy pre-

sant to the provisions of the Joint Resolution of May 31, 1870, which application was accompanied by a tender of \$.50 per acre. The affidavit and application then alleges refusal on the part of the respondent to recognize and grant such application to purchase. Relator seeks an alternative writ of mandamus commanding respondent to recognize and grant the application upon the payment of the sum of \$.50 per acre or show cause why it has not done so and seeks reasonable attorney's fees (R. 6-13). An alternative writ of mandamus was secured in the state court (R. 18).

By the motion to quash and dismiss (R. 20) respondent and appellee admits the truth of the factual allegations contained in the affidavit and application for the writ. State ex rel. Blenkner v. Stillwater County, 66 Pac. (2d) 78, 104 Mont. 387; State ex rel. Halloran v. McGrath, 67 Pac. (2d) 838, 104 Mont. 490, and it has been conceded throughout the proceedings below by the respondent and appellee that the lands involved are located in the second indemnity belt provided for in that portion of the Joint Resolution of 1870 which reads as follows:

"and in the event of there not being in any State or Territory in which said main line or branch may be located, at the time of the final location thereof, the amount of lands per mile granted by Congress to said company, within the limits prescribed by its charter, then said company shall be entitled, under the directions of the Secretary of the Interior, to receive so many sections of land belonging to the United States, and designated by odd numbers, in such State or Territory, within ten miles on each side of said road, be-

yond the limits prescribed in said charter, as will make up such deficiency, on said main line or branch, except mineral and other lands as excepted in the charter of said company of eighteen hundred and sixty-four to the amount of the lands that have been granted, sold, reserved, occupied by homestead settlers, pre-empted, or otherwise disposed of subsequent to the passage of the act of July two, eighteen hundred and sixty-four."

For the convenience of the Court we have included an appendix pertinent provisions of both the Act of 1863 Statutes at Large, p. 365, the original granting act, and the Joint Resolution of May 31, 1870, 16 Statutes at Large p. 378.

The issue involved is exclusively a question of law and is as follows:

Does the settlement and preemption proviso of the Joint Resolution of Congress of May 31, 1870, apply to the lands here involved which are lands acquired by the respondent in the second indemnity strip provided for by the said Joint Resolution?

The lower court held that this issue had already been decided and that the proviso does not apply to lands within the second indemnity belt (R. 30).

### SPECIFICATIONS OF ERROR

1. The Court erred as a matter of law in its memorandum and order filed February 1, 1957, granting the motion to quash filed by respondent.

2. The Court erred as a matter of law in making and entering its judgment made and entered on February 5, 1957, dismissing the above-entitled action.

3. The Court erred in deciding that the lands involved in this action were not subject to the settlement and pre-emption proviso of the Joint Resolution of Congress of May 31, 1870 (Resolution 67, 16 Stat. 378) reading as follows, to-wit:

"Provided, that all lands hereby granted to said company which shall not be sold or disposed of or remain subject to the mortgage by this act authorized, at the expiration of five years after the completion of the entire road, shall be subject to settlement and pre-emption like other lands, at a price to be paid to said company not exceeding two dollars and fifty cents per acres; \* \* \*"

and based upon said decision sustaining respondent's motion to quash and dismissing the above entitled action.

## ARGUMENT

At the outset it is necessary that this case be differentiated from Cause No. 14,983 in this Court, *Russell v. Northern Pacific Railway Company et al.*, rehearing denied January 21, 1957. That case involved the applicability of the proviso to lands which were located within the original public land grant of the Act of 1864 and was an action by the successor in interest of a purchaser of those lands from the Railway Company to have declared void the mineral reservation contained in the original deed from the Rail-

way Company to said purchaser. This cause involves lands which were not within the granting act of 1864 but which are located in the second indemnity belt provided for by the Joint Resolution of 1870, and involves an attempt by a prospective purchaser to take advantage of the benefit attempted to be afforded to such parties by the proviso of the Joint Resolution.

**The Proviso Is Applicable to the Lands Acquired by the Appellee in the Second Indemnity Belt Pursuant to the Provisions of the Joint Resolution of 1870.**

At the outset we acknowledge that diligent and exhaustive research has uncovered no case which deals directly with the problem here involved. The lower court in construing the proviso of the joint resolution has held that the words "hereby granted" in the proviso refer exclusively to the place lands granted by the Joint Resolution of 1870 and that the lands acquired by the railroad company within the second indemnity limits also provided by the Joint Resolution of 1870 do not come within the operation of the proviso. In so doing the lower court has relied, as did the appellee, upon decisions construing the words "hereby granted" as they appear in the Act of 1864 with particular reference to Sections 3 and 6 of that Act. The appellee and the court below attempted to apply the authorities defining the words "hereby granted" appearing in Sections 3 and 6 of the Act of 1864 to the words "hereby granted" as used in the proviso of the Joint Resolution of 1870. It is our contention that this phrase cannot thus be divorced from the context of the proviso of the Resolution of 1870 and



be construed by applying to it the meaning required by the purpose of the Act of 1864, particularly Sections 3 and 6, and the reasoning of the authorities defining the meaning of "hereby granted" as used in the Act of 1864. The issue involved is, of course, a problem in statutory construction, that is, what lands were referred to by the words "hereby granted" in the proviso of the Joint Resolution of 1870. In 50 Am. Jur. Statutes, Sec. 303, pp. 283-287 we find the following general rule relative to the construction of statutes:

"The purpose for which a statute is enacted is of primary importance in the interpretation thereof. Indeed, a statute is often regarded as speaking as plainly by means of the purpose which underlies it as in any other manner. In any event, in the interpretation of a statute of doubtful meaning, it is proper to take into consideration its purpose or object, or the aim, design, motive, or end in view, or the aspirations intended to be efficiently embodied in the enactment. The construction of the statute should be made with reference to the purpose of the statute, or in the light thereof, and in harmony and conformity therewith, in order to aid, advance, promote, subserve, support, and effectuate such aim, design, motive, end, aspirations, or object."

In support of that statement the author cites among other cases, *United States v. American Trucking Association*, 310 U.S. 534, 60 Sup. Ct. 1059, 84 L. Ed. 1345, in which case the Supreme Court of the United States said:

"In the interpretation of statutes, the function of the courts is easily stated. It is to construe the language

so as to give effect to the intent of Congress. There is no invariable rule for the discovery of that intention. To take a few words from their context and with them thus isolated to attempt to determine their meaning certainly would not contribute greatly to the discovery of the purpose of the draftsmen of a statute, particularly in a law drawn to meet many needs of a major occupation.

"There is, of course, no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its wishes. Often these words are sufficient in and of themselves to determine the purpose of the legislation. In such cases we have followed their plain meaning. Where that meaning has led to absurd or futile results, however, this Court has looked beyond the words to the purpose of the act. Frequently, however, even where the plain meaning did not produce absurd results but merely an unreasonable one 'plainly at variance with the policy of the legislation as a whole' this Court has followed that purpose, rather than the literal words. When aid to construction of the meaning of words, as used in the statute, is available, there certainly can be no 'rule of law' which forbids its use, however clear the words may appear on 'superficial examination'. The interpretation of the meaning of the statutes, as applied to justiciable controversies, is exclusively a judicial function. This duty requires of every body of public servants, the judges, to construe the meaning of what another body, the legislators, has said. Obviously there is danger that the courts' conclusion as to legislative purposes will be unconsciously influenced by the judges' own views or by factors not considered by the enacting body. A lively appreciation of the danger is the best assurance of escape from such



threat but hardly justifies an acceptance of a literal interpretation dogma which withholds from the courts available information for reaching a correct conclusion. Emphasis should be laid, too, upon the necessity for appraisal of the purposes as a whole of Congress in analyzing the meaning of clauses or sections of general acts. A few words of general connotation appearing in the text of statutes should not be given a wide meaning, contrary to a settled policy, 'excepting as a different purpose is plainly shown'."

It is clear that we must examine the reasoning of the decisions relied upon by the lower court in its opinion in the light of the purpose to be achieved by Sections 3 and 6 of the Act of 1864 and if the purpose of the proviso is not the same and if the same reasoning cannot be applied in arriving at the meaning of the words as used in the proviso then it follows that the result arrived at by the lower court is not supported by the authorities upon which it relies.

It is appellant's contention that the proviso of the joint resolution applies equally to all of the lands acquired by the respondent pursuant to the joint resolution. That is, that the proviso applies not only to those lands granted in praesenti by the joint resolution but also to the lands in the indemnity strip set up by the joint resolution. We express no opinion as to whether or not the proviso may be applied to the lands granted in praesenti and the indemnity lands acquired by virtue of the Act of 1864 and included within the Act of 1864, that issue not being involved in this case. The appellant contends further that the proviso of the joint

resolution is mandatory and requires the appellee to comply with the request of the appellant seeking to exercise his right granted to him by the clear and explicit provision of the Joint Resolution of 1870.

With these contentions firmly in mind examination of the authorities contained in the opinion of the lower court reveals that they do not support the court's decision.

The first case referred to by the lower court is *Priest N.P.R. Co.*, May 23, 1884, 2 Land Decisions 506 (R. 26). That case involved an issue as to the rights of a homesteader's entry on lands within the indemnity limits as distinct from the place lands prior to selection by the railroad company. It was there held that the indemnity lands were open to settlement and preemption and the decision is a refusal to withdraw those lands from settlement and preemption.

The problem with which the Department of the Interior was concerned with respect to the indemnity lands prior to selection is more understandably presented in the opinion of the Department of the Interior of May 17, 1884, 2 Land Decisions 511. It was the contention of the railroad company that under Section 6 of the granting act of 1864 the indemnity lands as well as the place lands were withdrawn from settlement and preemption. The reasoning of the Department of the Interior is best illustrated by that portion of the opinion which reads as follows:

"That this is true of the granted lands, 'in place,' now settled law as construed by the judicial tribunals, the latest decision being that of *Van Wyck v. Kneva*

(106 U.S., 360). As to those lands there can be no question of the duty of this Department to give timely notice of the date and extent of this appropriation by prompt withdrawal, not alone for the protection of the company, *but for the protection of the settlers*, who can no longer acquire them.

"Respecting the indemnity belt, it is to be observed that the object of the law is to give within its entire limit just what has been lost in place, by other appropriation within the granted limits to the amount of lands intended to be granted, *and no more*. If by reason of such appropriation after the date of the act and prior to definite location the whole of the first belt shall be exhausted, *in that event* resort may be had to the second belt, under the act of 1870, to supply that particular loss, *and no more*.

Now, with respect to the definite location, the law makes absolute grant, with precision from that date as to particular lands, because those lands are immediately identified as a whole—being the alternate sections on each side of said road. The circumstances or status of each tract—whether 'vacant' or 'appropriated'—can then be ascertained. When ascertained it either falls within the grant as of its date or fails to pass on account of such exception as the law declares.

As to the indemnity law gives at date of definite location, not title but a right to acquire title by selection—based on the deficiency ascertained as above. And the provision of 1870 rests on a possibility that at date of definite location there may be in some State or Territory a want of sufficient lands in the limits fixed in 1864, on account of subsequent disposals, *to make the full original grant*, and allows the de-

ficiency thus caused to be supplied beyond the original limits.

"This might seem like a legislative reservation of the first limit or indemnity belt from the date of definite location. But the acts place the whole subject 'under the direction of the Secretary of the Interior'. The power to direct a proceeding necessarily implies not mere oversight in minor details, but control, supervision, discretion; and in such a matter as the selection and setting apart of public lands for any purpose, of a body of public lands, where the use of the word 'select' implies that there is something left after selection and where other right to acquire the lands already exists, it must, I think, be held that the power resides in this Department to adjudge when, in what manner and to what extent, the statute requires the exercise of such control and direction as to give to the public as well as the particular grantee, all the rights and privileges granted by law." (Emphasis supplied).

It should be noted that there is no support in this opinion for any argument to the effect that the indemnity lands once they were selected and that selection approved were not lands granted by the act. What else could they be? The key to understanding the problem lies in the use of the words "in praesenti" referring to the so-called plat limits. This definitive language appears in the decision cited in the above quoted opinion. *Van Wyck v. Knevel*, 106 U.S. 360, 16 Otto 360, 27 L. Ed. 201-202.

"The grant is one in praesenti, except as its operation is affected by that condition; that is, it imports the transfer, subject to the limitations mentioned, of the present interest in the lands designated. The difficulty

in immediately giving full operation to it, arises from the fact that the sections designated as granted are incapable of identification until the route of the road is 'definitely fixed'. When that route is thus established, the grant takes effect upon the sections by relation as of the date of the Act of Congress."

The reference to the place lands as lands granted in *praesenti* implies a distinction between those lands and the lands in the indemnity belt but that distinction does not exclude and in fact it suggests that the lands within the indemnity belt are nonetheless granted lands after their selection by the company to replace lands lost to the grant *praesenti*.

The lower court relies in its opinion upon the case of *Hewitt v. Schultz*, 21 Sup. Ct. 309, 180 U.S. 139, 45 L. ed. 463 (R. 27). That case was ejectment brought by Hewitt, the homestead patentee, against Schultz, a purchaser from the N.P.R. Co. The land involved was within the first indemnity strip in the territory of North Dakota. Hewitt settled on the lands on April 10, 1882, and the company had filed its selection list embracing the land involved on March 19, 1883. The Department of the Interior held that the lands in the indemnity limits did not fall within the place lands and were not included in the term "thereby granted" as used in Section 6 of the Act of July 2, 1864, and were thus not subject to withdrawal from the operation of the Public Land Laws until a selection had been made by the company. The Supreme Court of the United States upheld this construction. However, this in-

terpretation of the words "hereby granted" *even as used in Section 6 of the Act of 1864* was certainly not free from doubt. The Supreme Court in its opinion said:

"But without considering the matter as if it were for the first time presented, it is sufficient to say that the question before us cannot be said to be free from doubt. The intention of Congress has not been so clearly expressed as to exclude construction or argument in support of the view taken by Secretaries Lamar, Vilas, and Smith, and upon which the Land Department has acted since 1888. 'It is the settled doctrine of this Court', as was said in *United States v. Alabama G.S.R. Co.* 142 U.S. 615, 621, 35 L. Ed. 113, 1136, 12 Sup. Ct. Rep. 308, 'that, in case of ambiguity the judicial department will lean in favor of a construction given to a statute by the department charged with the execution of such statute, and, if such construction be acted upon for a number of years, will look with disfavor upon any sudden change, where parties who have contracted with the government upon the faith of such construction may be prejudiced. These observations apply to the case now before us and lead to the conclusion that if the practice in the Land Department could with reason be held to have been wrong, it cannot be said to have been so plain or palpably wrong as to justify the court, after the lapse of so many years, in adjudging that it had misconstrued the act of July 2d, 1864. The order of withdrawal by the Secretary of the Interior, upon which the title of the railroad company depends, being of the way, there is no legal ground to question the title of the plaintiff to the land in dispute."

Certainly this case cannot be accepted as authority for the proposition that the words "hereby granted" as en-



employed in the settlement and preemption proviso of the Joint Resolution of 1870 are subject to the same limitations as are those words as employed in Sections 3 and 6 of the Act of 1864.

In all of the cases which we have considered this proviso of the joint resolution was in no way involved. The decision as to the meaning of the words "hereby granted" was concerned only with those words as they appear in those sections of the act withdrawing lands from settlement and preemption and there is no support therein for any argument that the lands acquired in the indemnity belts were not lands granted by the act when title was acquired by the railroad. True, the indemnity lands were not lands granted in praesenti. The lands granted in praesenti were those lands within the place limits. The distinction is one arising out of the basic intent behind the granting acts. The intent and attempt was to grant to the railroad a definite and certain amount of land. To this end the railroad was granted every odd numbered section within the so-called place limits, which was the measure of the grant. It is self-evident that as to this grant the lands intended to be given could be definitely ascertained immediately upon the filing of a map of definite location of the railroad. Hence the company's title could attach to those lands at once and therefore those lands were lands granted in praesenti. However, it was contemplated and understood that there would be odd numbered sections of land within those place limits to which the rights of others had already attached or which might otherwise have been disposed of prior to the grant.

For that reason and in order to assure to the railroad company the amount of land intended to be granted to the company put no more, the indemnity limits were provided and from these limits the railroad company was to select land to replace those lost in the so-called place limits by reason of prior disposal.

These lands within the indemnity belt were, however, incapable of identification until such time as a deficiency became apparent in the place lands and the company made a selection to replace that deficiency. For this reason the right to indemnity land was spoken of as a "float." See the language of the Department of the Interior employed in *Atlantic Pac. Railroad Co. v. Sant Fe Pac. Railroad Co.*, and *Greene Cattle Co., Inc.*, decided Jan. 8, 1944, 58 Land Decisions 577.

*"The right of the grantee in indemnity lands prior to selection has also been described as 'only a void which attaches to no specific lands until the selection is actually made (Ryan v. Railroad Company, 99 U.S. 382, 386; Cedar Rapids, etc., Railroad v. Herring, 111 U.S., 39), or as a right to no land capable of identification by any principles of law or rules of measurement. Kansas Pacific Railroad Company v. Atchison Topeka & Santa Fe Railroad Company, 112 U.S. 411, 421.'" (Emphasis supplied).*

From the foregoing the problem confronting the Department of the Interior and the courts in construing the withdrawal provided for in Section 6 of the Act of 1864 can easily be understood. Withdrawal of the lands in the place limits would not withdraw from settlement and preemption



ty lands which must be eventually acquired by the railroad company if it met its obligations. However, withdrawal of the lands within the indemnity limits would immediately result in the withdrawal of great areas of lands which would never be required by the company to complete its grant. Hence the conclusion that "hereby granted" employed in these sections of the Act of 1864 applied only to the lands granted in praesenti but it does not follow that the lands within the indemnity limits are not granted within the operation of the proviso of the Joint Resolution of 1870 when they are acquired by the Railroad company.

With respect to the construction of this act as employed in the preemption proviso the problem is entirely different. It is to be noted that the preemption proviso does not go into effect until five years after the completion of the entire road. The precise sections of the place lands granted by the Act of 1864 and by the resolution are determinable immediately upon the filing of the map of the route of the railroad and upon completion of twenty-five consecutive miles of road the company became entitled to patents contiguous to such twenty-five miles of road. At this time the sections of place lands lost to the grant would become apparent and the railroad would immediately be entitled to select from the indemnity lands replacement sections. Hence it is clear that five years after the completion of the entire road the grant would be determined and the company's title to both the place and indemnity lands fixed. Consequently, it is obvious that the problem with respect

to the construction of Sections 3 and 6 of the Act of 186 does not apply in connection with the construction of the proviso in the joint resolution requiring the lands granted to the company to be opened to settlement and preemption at the expiration of five years after the completion of the entire road.

It should be clear that these indemnity lands when acquired by the railroad are lands granted by the act or the resolution depending upon the indemnity limits within which they are contained. The railroad company was to receive a specified amount of land measured by the primary provision of the grant relative to the place lands. The only purpose apparent for the indemnity provision was to replace lands which were for some reason not available within the place limits. When those lands were acquired they obviously become as much a part of the grant as were the lands within the place limits. In the case of *United States v. N.P. Railway Co.*, 256 U.S. 51, 41 Sup. Ct. 439, 65 Ed. 825, 828, we find the following language of the Supreme Court of the United States demonstrating this proposition:

"The provision relating to indemnity lands was *as much a part of the grant* and contract as the one relating to land in place (*Payne v. Central P.R. Co.*, 25 U.S. 288, ante, 598, 41 Sup. Ct. Rep. 314), and it is apparent from the granting act and resolution that 'it was the purpose of Congress in making the grant to confer a substantial right to land within the indemnity limits in lieu of lands lost within the place limits'. *Weyerhaeuser v. Hoyt*, 219 U.S. 380, 387, 5

L. Ed. 258, 261, 31 Sup. Ct. Rep. 300." (Emphasis supplied)

This proposition is also supported by the case of Southern Pacific Railroad Co. v. Bell, 22 Sup. Ct. 232, 183 U. S. 679, 46 L. Ed. 386, and by the very quotation from that case which is set forth in the opinion of the court below (R. 28).

"If the command of the statute were to withdraw from the market, instead of survey, all odd-numbered sections within the 40-miles strip, the position of the railroad company in this case would be impregnable; but as the withdrawal only extends to the lands 'hereby granted, we must look elsewhere to ascertain the meaning of those precise words. There is good reason for withdrawing lands within the place limits, since these lands already belong to the railroad company, as soon as they are identified by the location of the line, while lands within the indemnity limits may never be required at all, and in most cases are required only to a limited extent. *Undoubtedly the company acquires title to both classes of lands by the 3d section of the granting act*; but it acquires a title to lands within the place limits by a present grant; but to land within the indemnity limits, only by a future power of selection. *In both cases the statute is the origin of the title*; but in the one case it gives instantaneously; in the other it is a mere promise to give in the future, and requires the action of the railroad to perfect it. The words 'hereby granted' evidently refer to the former." (Emphasis supplied).

Of course, the only act of the railroad necessary to perfect the grant as to indemnity lands is a selection thereof.

Again, the distinctive definition "in praesenti" applied to the place land is the key. By referring to the land as land granted in praesenti the obvious intention is to distinguish it from the land within the indemnity limits, however, it cannot be disputed that the railroad company acquired those lands within the indemnity limits by grant and neither can it be disputed that the grant as to the second indemnity belt must be found within the Resolution of 1870. This is self evident because without the Resolution of 1870 the company could never have become entitled to any land within the area embraced by the second indemnity belt.

We have given no consideration to the case of *N.P. v. McRae*, 6 Land Decisions 400, quoted from by the court below (R. 26) for the reason that that decision has nothing whatever to do with the problem involved. As stated by Secretary Lamar, in the opinion from which the court quotes, the sole issue there involved was as follows:

"The sole issue presented in this case is whether the Northern Pacific Railroad Company has a grant of lands for the line of its road from Portland to Puget Sound."

That case had nothing whatever to do with the provision of the joint resolution with which this case is concerned.

During the interval between the Act of July 2, 1864 and the Joint Resolution of 1870, the prodigality of the immense grants to the railroads and the interest of the public therein became a matter of the utmost concern. So

*Great Northern R. Co. v. U.S.*, 315 U.S. 262, 62 S. Ct. 529, 86 L. Ed. 836. The development of the policy in favor of the public evidenced by such proviso as the one here under consideration coupled with the circumstances that the Northern Pacific had failed to perform the conditions of the Act of 1864 renders it well nigh inconceivable that Congress would adopt a proviso requiring disposition to settlers of merely that fraction of the lands to be acquired under the Joint Resolution of 1870 which were the place lands adjacent to the newly authorized line over the Cascades. Such an idea would result in a situation which we feel would be indefensible. Indemnity lands were available for settlement and preemption until selection by the company. After selection by the company and approval of that selection title to the indemnity lands vested in the company and the company became the owner thereof precisely as was true as to the place lands. What then is the result under the lower court's ruling? The result simply stated would be that the place lands granted by the Resolution of 1870, title to which passed to the railroad company immediately, would be open to settlement and preemption five years after the completion of the road whereas the indemnity lands selected by the company to replace lands which were not available in the place limit would not be open to settlement and preemption after their selection by the railroad company. This result is absurd on its face. The railroad company would acquire a better right under the secondary portion of the grant than it acquired under the primary portion thereof. It seems obvious to us that

the intent of the congress was that all lands acquired by virtue of the joint resolution should be open to settlement and preemption five years after the completion of the entire railroad.

The language of the Joint Resolution of 1870 confirms the conclusion that the proviso is applicable to all of the land acquired under the terms of the resolution. First, the joint resolution authorized the mortgaging of all Northern Pacific's property of all kinds and descriptions, thereby empowering the mortgaging of its entire unearned land grant including indemnity and place lands granted by the Resolution of 1870 and making it plain that the resolution is applicable to all lands encompassed by the resolution. Next the resolution reaffirms the authorization to construct the road "under the provisions and with the privileges, grants and duties provided for in its act in incorporation," from the original point specified in the original act and unspecified in the joint resolution by a changed main line route to Portland with authority for a branch line to Puget Sound through the Cascade mountains. Thus again in its re-affirmation of authority to construct the road the reference is to the entire line. Next, in the event "in any state or territory" the amount of land granted is not available an additional "lieu land" belt is provided. The reference to "state or territory" makes it plain again that the Joint Resolution of 1870 is embracing the line from beginning to end. Lastly within the single section comes the two-fold proviso, the first referring to disposition and the second referring to foreclosure sales and each of these is based



upon the words "lands hereby granted." The proviso governs all that has gone before. The words "lands hereby granted" cannot be applied to a small fraction thereof as to final disposition to settlers without being equally applicable to but a small fraction as to foreclosure sales. Yet, has never been contended that the proviso as to foreclosure sales is applicable only to this small fraction of the grant, no doubt for the reason that the mortgage authorized by the Joint Resolution of 1870 is clearly applicable to the entire grant. Just as the proviso as to foreclosure applies to the lands granted along the entire line so also its counterpart as to final disposition of granted lands applies at the very least to all lands acquired under the joint resolution.

The applicability of the proviso to the lands here involved is confirmed by later congressional expression. Thus the joint congressional committee acting under the Resolution of June 4, 1924, (43 Statutes at Large, 461) among its other castigations of the railroad collusion, fraud and hunting of the legislative and public will states as one of the reasons for the forfeiture of the Northern Pacific's then outstanding indemnity claims:

"(d) The failure of the Northern Pacific Railroad Company to dispose of any of the granted lands through settlement and preemption after July 4, 1884, as required by the Resolution of May 31, 1870, \* \* \*"  
(Report of the committee is found in the Congressional Record of March 2, 1929, 70th Congress, 2nd Session, Vol. 70, part 5, pages 4118 to 5122).

Acting upon the committee report the Congress by its

act of June 25, 1929, expressed its continuing purpose and intention that the policy of the joint resolution of 1870 relative to disposition of granted lands should prevail. Section 3 of that Act (46 U.S. Statutes at Large, p. 41; 48 U.S.C.A., Sec. 921) provides in part as follows:

" . . . and the passage of this Act shall not be construed as in anywise evidencing the purpose or intention of Congress to depart from the policy of the United States expressed in the resolution of May 3, 1870, relative to the disposition of granted lands by said grantee, and the right is hereby reserved to the United States to, at any time, enact further legislation relating thereto."

#### The Land Grant Case of 1940

The lower court in its opinion cites and relies upon *U.S. v. Northern Pacific Ry. Co.*, 61 Sup. Ct. 264, 311 U.S. 319, 85 L. Ed. 210 (R. 30). The only portion of that opinion which could conceivably be considered as applicable is the portion thereof reading as follows:

"We hold, contrary to the Government's assertion that the proviso of the Resolution of 1870, requiring the lands be opened by the company to settlement and preemption applies only to the additional lands granted by that Resolution and not to lands *acquired* under the grant of 1864. We hold further that the company was not a trustee of the lands for the United States either in its own right or in behalf of possible settlers. It results that the Government cannot call upon the company to account as a trustee for the proceeds of sale of the lands." (Emphasis supplied).



As we have previously pointed out the lands here involved are not lands "*acquired under the grant of 1864*" consequently the statement from the land grant case of 1940 has no applicability to the present case. Furthermore, while we do not argue in this case that the proviso can be applied to lands which were included within the Grant of 1864 still by way of demonstration that the land grant case certainly cannot be considered as authority in this case we submit that there is good reason in that opinion for holding that the proviso does apply to lands included within the grant of 1864 but which were not earned at the time of the joint resolution. The case was brought as a result of the Act of June 25, 1929, previously cited, directing the forfeiture of certain land grants to the Northern Pacific and instructing the Attorney General to file an action to quiet title, for accounting and damages against the Northern Pacific wherein the congress expressed its continuing intent as to disposition by the Northern Pacific in accordance with the policy of the Joint Resolution of 1870. By the Act of May 22, 1936, (49 Statutes at Large, 1369, Chapter 444) there was authorized a direct appeal to the Supreme Court of the United States of the action against Northern Pacific instituted by the Attorney General in accordance with the Act of June 25, 1929. The proviso of the Joint Resolution of May 31, 1870, was a major issue. The government contended in its appeal, No. 33, before the Supreme Court of the United States that the proviso was binding upon Northern Pacific as to every part of the lands granted to it, that the Northern Pacific had breached

the policy of the United States prescribed in the proviso thereby wholly defeating its right to any further award (311 U.S. 317, at page 338). The Northern Pacific move to dismiss this charge, was sustained by the Special Master and the District Court ordered the dismissal. On appeal the Supreme Court of the United States reserved its ruling saying:

"The justices who heard this case are equally divided in opinion upon these issues. No opinion is expressed upon them, and they are reserved, in view of the fact that our rulings on other issues may be dispositive of the entire controversy." (311 U.S. 342).

and the judgment was reversed for further proceedings

"The appeal in No. 4 is without merit, but, upon the appeal in No. 3, the judgment is reversed and the cause is remanded for further proceedings as indicated in this opinion." (311 U.S. 376).

In its paragraph 18 of the opinion the Supreme Court of the United States passed upon the government's claim for damages by reason of the Northern Pacific's breach of the proviso. That court specifically held, contrary to the ruling of the District Court, that the government was entitled to prove any damage to it or advantage to the Northern Pacific arising out of the breach of the proviso. As to additional lands granted by the joint resolution but not as to lands "*acquired*" under the grant of 1864 (311 U.S. 268). Here we might remark that this holding is a judicial determination that the appellee here is bound by the proviso as successor to the federally chartered corporation, the foreclosure sale and proceedings notwithstanding.

United States v. Northern Pacific R. Co., *supra*, 311 U.S. 1365, unquestionably determined that the proviso established a legally enforceable obligation. It unequivocally decided that the obligation applied to all additional lands received by the company under the Joint Resolution of 1870. The court reserved the question as to whether the proviso applied to every part of the granted lands on the issue of forfeiture of right to further awards of lands. At the same time the court held that no damages would lie as to "lands acquired" under the Act of 1864, but that damages would lie as to the lands received pursuant to Joint Resolution of 1870. These rulings would be inherently contradictory unless the word "acquired" is given its logical meaning, namely those lands actually earned by adjacent construction accepted by the government under the terms of the Act of 1846 but prior to and without using the benefit of the Resolution of 1870.

The court also reserved the question of whether the breach of the conditions of the Act of 1864 by Northern Pacific defeated its entitlement thereunder (311 U.S. 1365, paragraph 1). The court in *United States v. Northern Pacific R. Co.* did not attempt to delineate the lands which were "acquired" by Northern Pacific under the Act of 1864. This was a factual matter, the decision on which was dependent upon the taking of testimony and the cause was remanded for that purpose.

The case was finally compromised and an adjudication contemplated by Congress was not had and Judge

Schwellenbach so stated. See *U.S. v. Northern Pacific Ry. Co.*, 41 Fed. Supp. 273 at 280. The district judge's misgivings as to the decree based upon settlement without congressional authority are obvious from his expression. The consequence of this decree by compromise is the absence of ruling on the facts and contentions which the Supreme Court of the United States reserved.

By the foregoing it has not been our intention to attempt to secure in this court a review of this court's decision in *Russell v. Northern Pacific Railway Co.*, et al Cause No. 14983. We have been concerned only with the proposition that the decision of the Supreme Court of the United States in the land grant case of 1940, *U.S. v. Northern Pacific Ry. Co.*, supra, 311 U.S. 317, is not authority for the lower courts holding that the proviso does not apply to the lands here involved.

**THE PROVISO ENJOINS UPON THE APPELLEE A POSITIVE DUTY TO PERFORM THE ACTS SOUGHT TO BE COMMANDED**

That the proviso of the Joint Resolution is a peremptory command of law to the Company is demonstrated by the following authorities.

In *U.S. v. N. P. Ry. Co.*, 61 Sup. Ct. 264, 311 U.S. 317, 84 L. Ed. 210, the land grant case of 1940, the court said:

"A majority of the Justices who heard this case are of the opinion that the proviso of the Resolution of 1870 *required* the company to open the lands granted by the Resolution to preemption and settlement at the

expiration of five years from the completion of the entire line in 1887, whether the lands were then subject to the mortgage or not; that its failure so to do was a breach of its contract with the United States and that the Government is entitled, if it can, to prove any damage to it or advantage to the company, which resulted from this breach of contract." (Emphasis supplied).

The preemptory nature of the proviso may also be demonstrated by comparison with the grant considered in the case of *Oregon & California Ry. Co. v. U.S.*, 238 U.S. 393, 100 Sup. Ct. 908, 59 L. Ed. 1360. The proviso in the granting act there involved read as follows:

"That the lands granted by the act aforesaid shall be sold to actual settlers only, in quantities not greater than one quarter section to one purchaser, and for a price not exceeding Two Dollars and Fifty Cents per acre;"

In that case the United States Supreme Court held that the above-quoted proviso was not a mandate to sell but a limitation of the power to sell. The court said:

"There could not be an absolute right to settle or purchase unless there was an absolute compulsion to sell." '

The Supreme Court was clearly correct as to the proviso involved in the case last above cited. The words "shall be sold to actual settlers only" are words of limitation, not of compulsion. The proviso in this case, on the other hand, required that the lands be subject to settlement and preemption at a price to be paid to the company. How can

it be said that the lands are open to settlement and preemption if the company could refuse to sell to a person seeking to purchase under the proviso? Clearly the proviso in the Resolution of 1870 was a mandate to sell provided of course, that there should be a purchaser. This requirement is recognized by the Supreme Court of the United States in the quotation set forth above from *United States v. N. P. Ry. Co.*, supra, 61 Sup. Ct. 264. That this was and is a continuing requirement is demonstrated by the quotation previously set forth at the beginning of this brief from *Oregon & California Ry. Co. v. U.S.*, supra, 238 U.S. 393, which we repeat at this point.

"We may observe that the Acts of Congress are laws as well as grants, and have the constancy of laws as well as their command and are operative and obligatory until repealed."

See also the Act of Congress of 1929 providing for the bringing of the action, referred to by respondent as the Land Grant Case of 1940, wherein the Congress of the United States said:

"\* \* \* and the passage of this Chapter shall not be construed as in anywise evidencing the purpose or intention of Congress to depart from the policy of the United States expressed in the resolution of May 3, 1870, relative to the disposition of granted lands to said grantee, and the right is hereby reserved to the United States to, at any time, enact further legislation relating thereto." 43 U.S.C.A. 923.

This proviso of the Joint Resolution of 1870 was made with the clear intent and purpose to prevent an enormous



ant to the Railway Company from resulting in a tremendous land monopoly, recognizing that such would not to the best interest of the country. A country benefits as its people are benefitted and clearly the prospective purchasers from the company should have received and could receive the benefit of the proviso.

It is understandable that the Company should seek to perpetuate the tremendous advantage received by virtue of the land grants but the Congress, in making the additional part of the Resolution of 1870, sought to limit that advantage to a legitimate and reasonable benefit to the Company in aid of its construction.

### CONCLUSION

Based upon the foregoing it is respectfully submitted that the court below erred in sustaining appellee's motions to quash and in rendering judgment dismissing the cause. It is further submitted that if the purpose of the Congress is not to be flouted and ignored further this cause must be reversed and remanded with directions to overrule the motion to quash.

Respectfully submitted,

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CHAP. CCXVII—An Act Granting Lands to Aid in the Construction of a Railroad and Telegraph Line from Lake Superior to Puget's Sound, on the Pacific Coast by the Northern Route.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled \* \* \*

"SEC. 3. And be it further enacted, That there be, and hereby is, granted to the 'Northern Pacific Railroad Company', its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line on the Pacific coast, and to secure the safe and speedy transportation of the mails, troops, munitions of war, and public stores, over the route of said line of railway, every alternate section of public land, not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile, on each side of said railroad line, as said company may adopt, through the territories of the United States, and ten alternate sections of land per mile on each side of said railroad whenever it passes through any state, and whenever on the line thereof, the United States have full title, not reserved, sold, granted or otherwise appropriated, and free from preemption, or other claims or rights, at the time the line of said road is definitely fixed, and a plat thereof filed in the office of the commissioner of the general land-office; and whenever, prior to said time, any of said sections or parts of sections shall have been granted, sold, reserved, occupied by homestead settlers, or preempted, or otherwise disposed of, other lands shall be selected by said



company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections, and designated by odd numbers, not more than ten miles beyond the limits of said alternate sections; \* \* \*

"SEC. 4. And be it further enacted, That whenever said Northern Pacific Railroad Company' shall have twenty-five consecutive miles of any portion of said railroad and telegraph line ready for the service contemplated, the President of the United States shall appoint three commissioners to examine the same, and if it shall appear that twenty-five consecutive miles of said road and telegraph line have been completed in a good, substantial, and workmanlike manner, as in all other respects required by this act, the commissioners shall so report to the President of the United States, and patents of lands, as aforesaid, shall be issued to said company, confirming to said company the right and title to said lands, situated opposite to, and coterminous with, said completed section of said road; and, from time to time, whenever twenty-five additional consecutive miles shall have been constructed, completed, and in readiness as aforesaid, and verified by said commissioners to the President of the United States, then patents shall be issued to said company conveying the additional sections of land as aforesaid, and so on as fast as every twenty-five miles of said road is completed as aforesaid: Provided, That not more than ten sections of land per mile, as said road shall be completed, shall be conveyed to said company for all that part of said railroad lying east of the western boundary of the State of Minnesota, until the whole of said railroad

shall be finished and in good running order, as a first-class railroad, from the place of beginning on Lake Superior to the western boundary of Minnesota: Provided, also, That the lands shall not be granted under the provisions of this act on account of any railroad, or part thereof, constructed prior to the date of the passage of this act. \* \* \*

"SEC. 6. And be it further enacted, That the President of the United States shall cause the lands to be surveyed for forty miles in width on both sides of the entire line of said road, after the general route shall be fixed, and as far as may be required by the construction of said railroad, and the odd sections of land hereby granted shall not be liable to sale, or entry, or preemption before or after they are surveyed, except by said company, as provided in this act; but the provisions of the act of September, eighteen hundred and forty-one, granting preemption rights, and the acts amendatory thereof, and of the act entitled 'An Act to secure homesteads to actual settlers on the public domain,' approved May twenty, eighteen hundred and sixty-two, shall be, and the same are hereby, extended to all other lands on the line of said road, when surveyed, excepting those hereby granted to said company, and the reserved alternate sections shall not be sold by the government at a price less than two dollars and fifty cents per acre, when offered for sale.

"\* \* \*

"SEC. 8. And be it further enacted, That each and every grant, right, and privilege herein are so made and given

and accepted by, said Northern Pacific Railroad Company, upon and subject to the following conditions, namely: That the said company shall commence the work on said road within two years from the approval of this act by the President, and shall complete not less than fifty miles per year after the second year, and shall construct, equip, furnish, and complete the whole road by the fourth day of July, anno Domini eighteen hundred and seventy-six.

"SEC. 9. And be it further enacted, That the United States make the several conditioned grants herein, and that the said Northern Pacific Railroad Company accept the same, upon the further condition that if the said company make any breach of the conditions hereof, and allow the same to continue for upwards of one year, then, in such case, at an time thereafter, the United States, by its Congress, may do any and all acts and things which may be prudent and necessary to insure a speedy completion of the said road.

"SEC. 10. And be it further enacted, That all people of the United States shall have the right to subscribe to the stock of the Northern Pacific Railroad Company until the whole capital named in this act of incorporation is taken up, by complying with the terms of subscription; and no mortgage or construction bonds shall ever be issued by said company on said road, or mortgage, or lien made in any way, except by the consent of the Congress of the United States.

"SEC. 20. And be it further enacted, That the better to accomplish the object of this act, to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the government at all times (but particularly in time of war) the use and benefits of the same for postal, military, and other purposes, congress may, at any time, having due regard for the rights of said Northern Pacific Railroad Company, add to, alter, amend, or repeal this Act."

"(No. 67). A Resolution authorizing the Northern Pacific Railroad Company to issue its Bonds for the Construction of its Road and to secure the same by Mortgage, and for other Purposes.

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Northern Pacific Railroad Company be, and hereby is, authorized to issue its bonds to aid in the construction and equipment of its road, and to secure the same by mortgage on its property and rights of property of all kinds and descriptions, real, personal, and mixed, including its franchise as a corporation; and, as proof and notice of its legal execution and effectual delivery, said mortgage shall be filed and recorded in the office of the Secretary of the Interior; and also to locate and construct, under the provisions and with the privileges, grants, and duties provided for in its act of incorporation, its main road to some point on Puget Sound, via the valley of the Columbia river, with the right

locate and construct its branch from some convenient point on its main trunk line across the Cascade Mountains to Puget Sound; and in the event of there not being in any State or Territory in which said main line or branch may be located, at the time of the final location thereof, the amount of lands per mile granted by Congress to said Company, within the limits prescribed by its charter, then said Company shall be entitled, under the directions of the Secretary of the Interior, to receive so many sections of land belonging to the United States, and designated by odd numbers, in such State or Territory, within ten miles on each side of said road, beyond the limits prescribed in said charter; as will make up such deficiency, on said main line or branch, except mineral and other lands as excepted in the charter of said company of eighteen hundred and sixty-four, the amount of the lands that have been granted, sold, reserved, occupied by homestead settlers, preempted, or otherwise disposed of subsequent to the passage of the act of July two, eighteen hundred and sixty-four. And that twenty-five miles of said main line between its western terminus and the city of Portland, in the State of Oregon, shall be completed by the first day of January, anno Domini eighteen hundred and seventy-two, and forty miles of the remaining portion thereof each year thereafter, until the whole shall be completed between said points: Provided, that all lands hereby granted to said company which shall not be sold or disposed of or remain subject to the mortgage by this act authorized, at the expiration of five years after the completion of the entire road, shall be subject to

settlement and preemption like other lands, at a price to be paid to said company not exceeding two dollars and fifty cents per acre; and if the mortgage or other legal proceeding, or the mortgaged lands hereby granted, or any part of them, be sold by the trustees to whom such mortgage may be executed, either at its maturity or for any failure or default of said company under the terms thereof, such lands shall be sold at public sale, at places within the States and Territories in which they shall be situate, after not less than sixty days' previous notice, in single sections or subdivisions thereof, to the highest and best bidder; Provided further, That in the construction of said railroad, American iron or steel only shall be used, the same to be manufactured from American ores exclusively.

"SEC. 2. And be it further resolved, That Congress may at any time alter or amend this joint resolution, having due regard to the rights of said company, and any other parties."



STATE OF MONTANA

COUNTY OF LEWIS AND CLARK

} ss.

\_\_\_\_\_being first duly  
sworn upon oath deposes and says: that he is the Printer  
who printed the foregoing brief; that he deposited in the  
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munication by mail between Helena, Montana, where affiant  
has his office and place of business and Billings, Montana,  
where said attorneys reside and have their place of business.

Subscribed and sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1957.

\_\_\_\_\_  
Notary Public for the State of Montana,  
Residing at Helena, Montana.

My commission expires \_\_\_\_\_

\_\_\_\_\_.

